EXHIBIT A

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To: Graham Orr
cc: Bill Fike, Bill Frederikson, Al Power, Don Walker

From: Phil Wilson

Subject: Dow/Magna Joint Development Project

Dow and Magna have collaborated on a proposal for US Advanced Technology Program funding to develop "Nanocomposite Polymers" and their applications in various automotive products. This $15.8MM US project would receive $7.8MM in government matching funds. This is a five year project with little spending by Magna until year three when most of the key technical questions related to the manufacturing of the polymers have been answered. Magna's primary efforts will be to define and develop different proprietary product applications and the appropriate processing methods needed to launch the technology with each of the Big 3. Of sixty-two proposals received by ATP, we were selected as one of seventeen finalists to meet with their scientific and economic review board for an oral defense of our project. I participated in that meeting in Washington on June 23rd and will manage the project for Magna.

The purpose of the US funding is to enhance the competitiveness of the Big 3 US auto makers and of their US suppliers. I explained to the ATP committee that seventy-five percent of Magna's North American polymer product businesses (Seating, Interiors, Mirrors and Conix) are located and based in the US.

We propose to develop nanoparticle reinforcements. Normal particle fillers look like a thick book under a microscope. Nanoparticles are like taking the individual pages of a Bible and using them instead of the whole book. If you had a prescription bottle with only two crushed aspirin in the bottom, in nanoparticle form, the same amount of material would fill the bottle.

These molecular level reinforcements would be dispersed into polypropylene based polymer systems to form nanocomposites. Normal reinforced thermoplastics use 30-50% by volume of glass fibers and mineral fillers to significantly improve the strength, stiffness and heat distortion temperature of the polymers and to reduce their thermal expansion coefficients. It is theoretically possible to achieve the same results with only 3-5% by volume of these nanoparticles. Highly reinforced polymers are normally brittle where the base unreinforced polymer would be ductile and tough. Reinforcement with nanoparticles should result in all of the advantages in stiffness and dimensional stability and still be ductile in impact situations.

Some of the specific advantages or uses in our products would include:

- to replace engineering thermoplastics in applications such as: door and instrument panel retainers, in bumper beams, in mirrors and in fenders or exterior door panels at up to 60% lower material cost
- to produce up to 30% thinner walled fascia with the same performance as current materials
- to replace current Azdel type (compression molded glass mat reinforced polymers) in structural applications at less weight and 30% lower cost
- the nanocomposites should be completely recyclable without loss of mechanical properties
- lower cost tooling processes such as blowmolding may be useable to produce parts like bumpers or structural instrument panel components, might even be able to mold right and left hand fenders at the same time
- the much lower volume percentage of nanoparticles needed should yield reinforced parts that can be readily painted to Class A finishes.

Magna will introduce these materials to each of the Big 3 and have a suitable period of exclusivity before they are made available to other suppliers. We may also patent any unique processing that is required.

ATP will announce the winners of the grants no later than September 15th. There is a high technical risk, but the potential rewards are also very high and we don't spend much money until Dow can deliver sufficient quantities for molding trials.